

GEORGE MUNICIPALITY

TRAVEL AND SUBSISTENCE
POLICY AND PROCEDURES



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1. OBJECTIVE / PURPOSE

The purpose of this policy is to lay down general rules for the payment of subsistence and travelling allowances or costs for the attendance of approved events outside the Municipal area of George.

To create a guideline wherein the compensation for travelling and subsistence costs incurred or deemed to be incurred on behalf of George Municipality (GM) can be handled in a practical, sensible, organized and effective manner.

This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of official travelling.

2. GENERAL SPECIFICATIONS

- 2.1 The contents of this policy will not be regarded as conditions of employment but as are-imbursement for travelling and subsistence expenditure incurred or deemed to be incurred for the attendance of events for official purposes.
- 2.2 Any Councilor must have the approval of the Executive Mayor or his delegate for the attendance of events for which compensation is claimed. Any staff member must have the approval of the Director or his delegate and any Director must have the approval of the Municipal Manager or his delegate for the attendance of events for which compensation is claimed. Claims are only payable if sufficient provision is made for it on the budget.
- 2.3 Any claim must be submitted on the official claim form with the necessary vouchers where specific expenses are claimed.
- 2.4 Any claim containing false information will lead to disciplinary steps being instituted and payments thus made may be recovered from any money payable by the Municipality to the person who submitted the claim.
- 2.5 All efforts should be made to minimise the costs for the Municipality i.e. by travelling together in one vehicle, minimising overnight stay where possible, etc.
- 2.6 A claim for subsistence and travelling cannot be made at the Municipality as well as another institution for attending the same event. Such action shall lead to disciplinary action.
- 2.7 Sufficient documentation must be attached to the application for the trip e.g., official invitation, agenda or programme, itinerary, details of sponsor and amount, etc.
- 2.8 Every representative who travels on the business of the Municipality must comply with this policy in letter and in spirit.

2.9 Representatives who travel on the business of the Municipality must appreciate, at all times, that they are ambassadors of the Municipality, that their actions, conduct and statements must be in the best interests of the Municipality, and that they must comply with any specific mandates they have been given.

2.10 Consistent with the Municipality's performance monitoring and evaluation objectives, the Municipal manager will ensure that a database of all representatives and officials travelling is kept.

2.11 The policy is further formulated to achieving the following:

2.11.1 To establish a fixed base for travelling and subsistence arrangements for Councillors and employees.

2.11.2 To accommodate the unique travelling and subsistence needs within the GM.

2.11.3 To lay down a policy on the usage of official vehicles as well as private vehicles in terms of the transport allowance scheme.

2.11.4 To establish a fixed framework for the attendance of official meetings, congresses, seminars and external training sessions outside the jurisdictional area of the George Municipality.

2.11.5 To avoid or limit night travelling as far as possible.

2.12 Accommodation, flights and vehicle rental arrangements will be based on the most cost effective option in relation to the proximity of the venue, traffic, availability and other cost factors. Due to impracticality, the stipulations of the Supply Chain Policy may be disregarded in this matter.

3. REFERENCE

This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.

4. LEGAL FRAMEWORK

This policy is developed and guided by the following:

- 4.1 South African Revenue Services (SARS)
- 4.2 Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- 4.3 South African Local Government Association (SALGA)
- 4.4 Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- 4.5 Income Tax Act, 1962 (Act No. 58 of 1962).

5. DEFINITIONS

For the purpose of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meaning:-

"Accounting Officer"	The person appointed by the Council as Municipal Manager in terms of section 82 of the Municipal Structures Act, 1998 (Act 117 of 1998) and as defined in the Municipal Finance Management Act, 2003 (Act 56 of 2003), including any person acting in that position or to whom authority is delegated;
"Chief Financial Officer"	The person appointed in terms of section 80(2)(a) of the MFMA and includes any person acting in that position or to whom authority is delegated;
"Council"	The Municipal Council, as referred to in section 157 of the Constitution of the Republic of South Africa, 1996; and section 18 (3) of the Municipal Structures Act, 1998 (Act 117 of 1998)
"Councillor"	A member of the George Municipal Council.
"Day allowance"	An allowance determined by Council from time to time which will be payable if the person is away from his place of work but will not stay over-night. This will only be applied where an occasion is attended at a venue outside the Municipal boundary of GM.
"Director"	An official appointed by the Council in terms of section 56 of the Municipal Systems Act, 2000 (Act 32 of 2000) to head a Directorate of the Municipality
"Executive Management Team"	Officials appointed in terms of Section 82 of the Local Government Structures Act, 1998 (Act 117 of 1998) (Structures Act) and section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).
"Executive Mayor"	The Executive Mayor of the George Municipality elected in terms of section 55 of Municipal Structures Act, 1998 (Act 117 of 1998).
"Municipality"	George Municipality, established in terms of sections 12 and 14 of the Structures Act.
"Occasion"	Any occasion outside the area of jurisdiction of the Council including a meeting, conference, congress, seminar, training course, training program, workshop, discussions or any other occasion to which a person is delegated to by the Council or by the delegated authority.
"Official transport"	The official transport specifically provided by Council for the use of the Executive Mayor, Councillors and Officials to attend official occasions. Where a person is delegated to attend an occasion on behalf of the

	Council, spouses are allowed to accompany the person and may travel within the official transport provided.
“Overnight allowance”	An allowance determined by Council from time to time which will be payable only if the person is away from his place of work for a period longer than 12 hours, calculated from 1800 to 0600. This will only be applied where an occasion is attended at a venue outside the Municipal boundary of GM.
“Partial sponsored trip”	Where a portion of the total cost is sponsored by a donor or third party. (For the purposes of this policy such proportion of the total cost of the trip to be included in the application form).
“Person”	A person appointed by the Council and also duly elected and appointed Councillors.
“Subsistence allowance”	A subsistence allowance is an amount of money paid by the Municipality to a traveler for expenditure incurred in respect of personal subsistence and incidental costs (for example refreshments, snacks, drinks and newspapers but excludes any personal recreation, such as visits to a cinema, theatre or nightclubs or sight-seeing).
“Travel Allowance”	A travel allowance is any amount paid to an employee in respect of travelling expenses for business purpose.
“Traveller”	Any Councillor or official travelling away from his or her normal place of domicile and employment on the official business of the George Municipality
“Weekdays”	Mondays to Fridays as well as single days over weekends on which occasions take place.
“Weekends”	Saturdays and Sundays except when an occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday

6. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 6.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses, may be claimed.
- 6.2 The subsistence allowance may be claimed without the representative having to furnish proof of expenses.
- 6.3 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the Municipality has an entertainment allowance, this entertainment of external business associates

or contacts or other parties must be claimed against the entertainment allowance.

- 6.4 A representative of the Municipality may claim his or her subsistence allowance, as provided in this policy, before embarking on any official trip. The subsistence allowance must, in order to facilitate its timeous payment, be claimed at least three working days before the planned trip. Exceptions will be considered, provided that the requests are accompanied with the relevant documentation.
- 6.5 No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the Municipality. All travel on business of the Municipality must be approved as such before a representative is entitled to a subsistence allowance.
- 6.6 For the purposes of a subsistence allowance, a representative shall mean:
 - Executive Mayor;
 - Deputy Executive Mayor;
 - Speaker;
 - Chief Whip
 - Full time Councillors;
 - Other Councillors specifically authorised to represent the Municipality on a particular occasion;
 - Municipal manager;
 - Directors;
 - Any other official specifically authorised to represent the Municipality or its employees on a particular occasion; and
 - Any official who is a member of a recognised professional institution and is granted permission to attend meetings and conferences of such institution.

7. RULES GOVERNING ATTENDANCE OF CONGRESSES, SEMINARS AND WORKSHOPS BY THE FOLLOWING DELEGATES:

7.1 Councillors:

A list of congresses and seminars to be attended should be considered annually together with the compilation of the Operational Budget, to enable the Municipality to assign a Councillor delegate per event for that specific financial year and budget accordingly.

After the delegates have been assigned, Councillors may, due to unique personal circumstances, change assignments. In such cases, the Executive Mayor or the Municipal Manager shall be informed of the change.

Should the Director: Corporate Services not compile, together with the Executive Mayor, such a list for a specific Municipal financial year, the attendance of any Councillor of congresses and seminars shall be pre-approved by the Executive Mayor. The same applies for the attendance of any other meeting where delegates of the Municipality are invited to.

The Executive Mayor should take into account the value to be added to GM in relation to the total cost of a Councillor attending, taking into account the cost of attendance, being travelling and subsistence, accommodation and registration fees.

Any attendance by Councillors not specifically budgeted for shall be pre-approved by the Executive Mayor.

7.2 Municipal Manager

Although the Municipal Manager has to attend certain congresses/seminars either officially or as a member, he may also attend other congresses/seminars and should indicate during the budget meeting, which congresses/seminars he intends to attend for approval during the budget process.

Attendance by the Municipal Manager of congresses and/or seminars not specifically budgeted for shall be pre-approved by the Executive Mayor.

7.3 Directors and employees

Director and employees as holders of specific positions may attend a congress or seminar. Employees should be rotated to enhance capacity building on a broader base in the Municipality.

Should a Director not attend a specific congress/seminar, the Director shall resolve on the employee-delegation.

Attendance by the Director of congresses and/or seminars not specifically budgeted for shall be pre-approved by the Municipal Manager.

Attendance of employees shall be pre-approved by the relevant Director.

7.4 Executive member of institutes/Study Groups

It may occur that employees are elected to serve on Executive Committees or study groups of Institutions or funds. As this is a special privilege for the employee concerned and the public image of the Municipality is extended at the same time, such an employee will, regardless of his salary level, also be delegated to attend a specific congress/seminar, provided that no more than three employees as ruled above shall attend any congress/seminar.

Employees who are elected on Executive Committees or study groups of institutes or funds, and such election was approved by Council, should be free to attend the meetings of the institute concerned, provided that travelling and subsistence allowance and special leave with remuneration be limited to one institute per employee only.

7.5 SALGA, NMMU and other Working Groups

In cases where Councillors or employees serve on any advisory committee of SALGA or NMMU Council, permission is granted to such Councillor or employees to attend one or more than one-day workshops or advisory committee meetings, provided that such delegations are limited to two persons and attendance is limited to ten days per year.

Where attendance exceeds the ten day limit, the Municipal Manager and Executive Mayor must approve the attendance for employees and Councillors respectively.

Where Institutions pay for the expenditure to attend the occasion, Council will not reimburse the person and the request for attendance must indicate as such.

NOTE: It is impossible to budget for all workshops to be attended during a financial year. Every Director must budget an additional amount for the attendance of workshops that cannot be foreseen during the budget process.

8. SUBSISTENCE ALLOWANCE:

The approval of any claim for subsistence allowances is subject to the availability of the necessary funds on the applicable Operational Budget.

The general rule is that overnight costs will not be paid by the Municipality for attendance of seminars, congresses or meetings within the Municipal area.

If a person is delegated to attend a seminar/meeting and have to travel outside the George Municipality area, the following subsistence allowance is payable to Councillors and employees, subject to the conditions as specified below:

- A period of up to 12 hours absent from usual place of work (incidental cost)
- A period of more than 12 hours up to 24 hours absent from usual place of work (meals and incidental cost)

All Subsistence Allowances payments will be in accordance with the non-taxable rate as yearly prescribed by SARS.

The subsistence allowance will be paid in accordance with the non-taxable rate as prescribed yearly by SARS and as it is intended for abnormal circumstances it will not form part of any remuneration package.

Instances where a subsistence allowance is claimed for a part of a day the allocation will be implemented as follows:

- 0 – 4 hours: 40 %;
- 4 – 8 hours 70%; and (Exceeding 4)
- 8 – 12 hours 100%. (Exceeding 8)

The following extract from the SARS “Guide for employers in respect of allowances” as published annually has reference:

“Subsistence Allowance

Reference to the Act:

Section 8 (1) (a) read with Section (1) (c) of the Income Tax Act No. 58 of 1962.

Meaning

A subsistence allowance is any allowance given to an employee or a holder of any office for expenses incurred or to be incurred in respect of personal subsistence and incidental costs (for example, drinks).

Important

Compensation or an allowance paid to employees who reside far away from their normal place of employment or who do not spend the night away from home is not regarded as a subsistence allowance and is subject to employees' tax. This also applies in the case of a labour broker.

Amounts deemed to be expended:

Section 8(1)(c) prescribes that the employee shall be deemed to have actually expended a certain amount (daily expenses in respect of meals and /or incidentals costs) where the employee is absent from his / her usual place of residence:

- *Where the accommodation to which the allowance or advance relates is in the Republic, an amount equal to the following is deemed to be expended for each day or part of a day in the period during which the employee is absent from his / her usual place of residence:*
 - *Only incidental costs – R 109.00 R115.00; or*
 - *Meals and Incidental costs – R 353.00 R372.00.*

- *The rates are for guidance purposes only. The rates for each tax year will be published by notice in the Gazette.*

Employer borne expenses:

The amounts that shall be deemed to be expended do not apply to the extent that the employer has borne the expenses (otherwise than by way of payment or granting of an allowance or advance) in respect of which the allowance was paid for each day or part of a day.”

If the cost of accommodation includes, as it often does, the provision of breakfast, the subsistence allowance will not be reduced.

If the cost of accommodation includes dinner, only incidental costs will be payable.

The period or time of absenteeism will be calculated from the time of departure from George until the time of return to George after attendance of the occasion.”

8.1 COURSES:

Where an organisation other than the Municipality pay a sitting allowance, or accommodation, no day allowance nor accommodation costs, will be payable to the Councillor or employee.

Where an employee attend a course and have to stay over for a period of time outside the Municipal Area, a subsistence allowance will be payable in accordance with the non-taxable rate as yearly prescribed by SARS.

8.2 SUBSISTENCE AND TRAVEL ALLOWANCES FOR PERSONS INVITED FOR INTERVIEWS:

Subsistence and travelling costs to be paid to any candidate invited for an interview will be handled as stipulated in the formal appointment policy of GM.

8.3 WORK OUTSIDE MUNICIPAL AREA:

When an employee is involved in Municipal work outside the Municipal area, a subsistence allowance of R60 ~~R100~~ per day or R30 where the duration is less than four hours is payable.

8.4 WORK IN THE UNIONDALE / HAARLEM OR GEORGE AREA

When an employee is involved in Municipal work in the designated DMA Area (**for staff from George) or in the George Area (for staff from Uniondale/Haarlem)**) the same provision as in 8.3 above will apply.

When a person not incorporated in any transport scheme travel to the DMA area on official authorised business with private vehicle, the same rate as in 11.2 will apply. Overnight will be regarded as normal subsistence.

9. ACCOMMODATION EXPENDITURE

The approval of any claim for accommodation expenditure is subject to the availability of the necessary funds on the applicable Operational Budget.

The general rule is that accommodation expenditure will only be paid if a person has to stay overnight when the duration of such congress, seminar, course, meeting or workshop is more than one day or 12 hours and the delegates have to stay overnight

A person can stay overnight when:

- a) the duration of such congress, seminar, course, meeting or workshop is more than one day and the delegates wish to stay overnight; or
- b) the duration of such congress, seminar, course, meeting or workshop is for one day or less and delegates must leave before 06:00 in order to reach the destination in time, or will return after 19:00 and will be out of office for more than 6 hours and the delegates wish to stay overnight instead of travelling to the venue and back on the same day.

When staying overnight:

- a) The actual cost of accommodation will be expended by the Municipality, subject to a maximum of R1 300.00 (Vat excluded) per night in the case of Officials and R1 500.00 (Vat excluded) in the case of Councillors and R1 600.00 (Vat excluded) in the case of the Executive Mayor, Speaker and Executive Deputy Mayor per night for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- b) If the accommodation costs, including bed and breakfast exceed the maximum amounts in (a) above per night, the Municipal Manager, in the case of employees, or the Executive Mayor, in the case of Councillors, may approve accommodation at a higher rate, on the condition that it is reasonable based on the availability of suitable accommodation in relation to costs involved. A report must be submitted to the Sec 80 committee when costs exceed the limit.

- c) Any additional costs incurred whilst staying overnight is for the account of the employee or Councillor. Should the amount be included on the invoice to GM and not directly settled at the hotel, the difference will be deducted from the salary of the Councillor or employee who stayed overnight.
- d) If a representative stays with a relative or friend, an accommodation allowance of R750.00 per night may be claimed.
- e) The payments for overnight accommodation for Councillors and officials should be paid directly through bookings to the preferred place of accommodation e.g. hotels, guesthouses etc. Request for payment of reservations should be submitted by the relevant Councillor or official at least 3 working days before departure to enable administration to process the payment beforehand so as to not cause inconvenience to the person staying overnight.
- f) GM will as a general rule not issue any cheque payments for the payment of hotel accommodation and the payment will be made directly to the preferred hotel or guest house. In legitimate cases where amounts are paid by Councillors or officials to hotels or guest houses, the Council will reimburse the paid amounts on submission of the relevant documentation.
- g) Actual toll gate fees are payable on submission of a claim and proof of payment. Toll gate fees not to be included on IRP 5 and is not taxable.
- h) The original invoice from the hotel or guesthouse must be submitted and returned to the Finance Directorate within two days after attendance. Failure to comply with this stipulation will result in the VAT that could have been claimed by the Municipality, to be recovered from the relevant person that stayed overnight.
- i) The Director: Corporate Services at GM should negotiate Government rates as far as possible with various hotels and guest houses frequently used.
- j) If the venue of an official meeting requires that a delegate be forced to make use of the only accommodation the total expenses with regard to accommodation will be paid by the Council.
- k) Cognisance must be taken of the fact that the selection of inexpensive or alternative accommodation does not necessarily institute a saving. The cost of additional travelling, vehicle rental, parking and time involved must be taken in consideration subject to the submission of the necessary documentary proof.

10. TRANSPORT ARRANGEMENTS:

- 10.1 The Council reserves the right to determine, on cost effective grounds, the means of transport when a person is delegated by the Council to attend an occasion.
- 10.2 Should four or less persons be delegated to attend the same occasion only one vehicle may be used and travelling costs will be payable for one vehicle only. Should a delegation consist of five to eight persons the travelling costs for an additional vehicle shall be payable if a second vehicle is used.
- 10.3 A person who is delegated to attend an occasion at a centre which is serviced by a recognised and registered airline shall be afforded the opportunity to make use of air transport.
- 10.4 A person delegated to attend an occasion presented over a continuous period of time (for example training) will be entitled to a travelling allowance as determined in order to enable the person to visit normal home once a month within the duration of the occasion - International occasions excluded.

11. TRAVELLING ALLOWANCE / EXPENDITURE:

The approval of any claim for travelling allowances is subject to the availability of the necessary funds on the applicable Operational Budget.

If persons are delegated, nominated or invited to attend any congress, seminar, meeting or workshop outside the Municipal area, the following travelling allowance is payable:

- 11.1 If official transport is provided, petrol, oil and other vehicle costs paid by the person whilst using the official vehicle, provided that legitimate documentation is submitted.
- 11.2 If a Director, Councillor or an employee with a structured cost to Council contract uses a private vehicle, compensation is payable in accordance with the tariffs prescribed by the National Department of Transport from time to time.

The following proviso will be applicable should additional passengers be transported:

- Owner only – Approved rate;
- Owner plus 1 – Approved rate + 25 % of the running cost additional;
- Owner plus 2 – Approved rate + 50 % of the running cost additional;
- Owner plus 3 – Approved rate + 75 % of the running cost additional;

11.2 For employees on the essential users and the perk schemes, the rules of the specific schemes will apply.

11.3 For all other employees not on these schemes, the amount expended on business is deemed to be the actual distance travelled, multiplied by the prescribed rate per kilometre fixed by the Minister of Finance annually. The current rate per kilometre fixed by the Minister of Finance is R3.16 **R3.29** per kilometre.

11.4 If a transport allowance scheme vehicle is used or a transport allowance is paid, the running cost is payable in accordance with AA-tariffs for the specific vehicle used, based on the actual cash purchase price of the vehicle used and based on the following principle:.

- Owner only –running cost;
- Owner plus 1 – running cost + 25 % additional;
- Owner plus 2 – running cost + 50 % additional;
- Owner plus 3 – running cost + 75 % additional.

11.5 Before any official not receiving a transport allowance may use a private vehicle for official purposes, the Director must authorize the utilization of the private vehicle for official purposes. The Municipality is not liable for any traffic penalties or damages that may be inflicted to or by the employee when using his private vehicle for official purposes.

11.6 Travelling by air:

- Delegates to congresses, seminars, courses, meetings or workshops are remunerated for travelling costs at the rate of the most economical normal return air ticket plus hired vehicle.
- Delegates to congresses, seminars, courses, meetings or workshops which are held at destinations where it is impractical to travel by air can make use of official transport arrangements, provided that the Municipal Manager (for officials) or the Executive Mayor (for Councillors) authorise use of private transport at the prescribed rates.
- When an economic class ticket is not available, a business class ticket may be used after approval by the Municipal Manager/Executive Mayor, subject to the travel agency normally used by GM submitting substantiating proof that an economic class ticket is not available. Should an employee or Councillor elect to travel business class in the event of an economic class ticket being available, the difference in cost is for the account of the Councillor or employee and will be deducted from his/her salary without notice.

- Parking fees, travelling cost between the airport and accommodation as well as freight, if necessary, will be paid by the Municipality provided that satisfactory written proof and/or invoices are submitted for costs not directly paid by the Municipality. Lock-up garages may be utilised at the cost of the Municipality.
- Where shuttle services are provided between accommodation establishments and airports, preference should be given to that service.

- 11.7 If travelling by luxury bus, the cost of a return-ticket.
- 11.8 If proof of toll gate fees paid is submitted, the amount will be refunded.
- 11.9 In respect of journeys further than 450km radius from George and subject to the starting and closure time of the seminar/workshop to be attended, an extra day shall be allowed for travelling purposes to and from the venue, based on the anticipated travelling time from home on the forward journey. Should the anticipated travelling time, the additional booking-in time, registration etc should necessitate departure from home before 06h00, the Municipal Manager may approve earlier departure the day before the commencement of the event to be attended. In the case of return trips, 19h00 are taken as a reasonable time to be back home, taking into account the availability of transport to the home of the employee concerned.
- 11.10 In the event where a Councillor or official prefers to use a vehicle as opposed to a flight (plane) he/she be accorded an amount equal to an economic class flight ticket applicable for that trip, plus the cost of the rental vehicle, i.e. the said amount shall be used by the Councillor or employee for all expenses incurred during the trip e.g. toll gates, parking fees, kilometres travelled etc. Subsistence allowance will only be calculated from the time of the departure and return time of the flight that in normal instances would have been applicable.
- 11.11 Any Councillor or official, who receives a travelling allowance, will not be allowed to use an official vehicle within the jurisdiction of GM.
- 11.12 Travelling costs are paid from George Civic Centre to the destination/accommodation and return to George, only during working hours. In instances where prove can be submitted that additional travelling had to be undertaken or parking fees had to be paid by the employee or Councillor cost will be refunded upon receipt of documentation approved by the relevant authorised signatories,
- 11.13 When it proves impracticable for an employee on the essential scheme, or more beneficial for the Municipality, that the employee's vehicle be used

when travelling outside the jurisdiction of the Municipality official transport may be used when available and approved by the relevant Director.

11.14 Whereas it is expected from Councillors to be reasonable with travelling claims within the George Municipal area as such, a more lenient approach must be adopted towards those Councillors from the rural wards in respect of their claims to attend meetings and functions of Council, in George.

12 TRAVELLING ALLOWANCE PAYABLE TO COUNCILLORS IN TERMS OF THE REMUNERATION OF PUBLIC OFFICE BEARERS ACT;

The Remuneration of Public Office Bearers Act: Determination of upper limits of salaries, allowances and benefits of different members of Municipal Councillors as promulgated in Government Gazette 34869 **39548**, dated **21 December 2015** **14 December 2011**, *inter alia*, stipulate as follows:

Regarding full-time Councillors:

"6. The upper limits of the allowances of a full-time Councillor, which form part of the total remuneration package, are as follows:

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a Councillor concerned as determined in terms of item 5;*
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a Councillor as determined in terms of item 5, official distances travelled may be claimed in accordance with the Council's applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles;*
- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometers travelled per month must be kept;*
- (iv) Where a Municipal Council makes a vehicle available to a Councillor, other than an executive Mayor or Executive Mayor where applicable, for use on official business, the Councillor would not be entitled to the 25% motor vehicle allowance that must be calculated on the annual total remuneration package, as determined in terms of item 5; and"*

Regarding Part-time Councillors:

"9. The upper limits of the allowances of a part-time Councillor, which form part of the total remuneration package, are as follows:

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a Councillor concerned as determined in terms of item 8;*
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a Councillor as determined in terms of item 8, official distances travelled may be claimed in accordance with the*

~~Councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles;~~

(iii) ~~For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometers travelled per month must be kept;~~

(iv) ~~Where a Municipal Council makes a vehicle available to a Councillor, other than an Executive Mayor or Executive Mayor where applicable, for use on official business, the Councillor would not be entitled to the 25% motor vehicle allowance that must be calculated on the annual total remuneration package, as determined in terms of item 8; and"~~

NOTE: A PROCEDURE MANUAL TO MANAGE THE SUBMISSION AND AUTHORISATION OF CLAIMS BY COUNCILLORS STILL NEED TO BE APPROVED.

13 ACCOUNTABILITY:

If any Councillor and/or employee is delegated to attend a seminar/meeting/workshop and they have received the necessary allowances and anything should happen that they are not able to attend, that money shall be paid back immediately to GM. If this is not done, the money paid will be deducted from his/her salary and such a person is guilty of misconduct and will be charged accordingly.

Delegates to any workshop, conference, meeting or seminar must ensure that they arrive on time and attend until the conclusion of such event, failing which the Municipal Manager in the case of employees and the Executive Mayor in the case of Councillors must take the necessary steps to recover all or part of the costs incurred by GM to afford the delegate the opportunity to attend, provided that such delegate be afforded the opportunity to submit written reasons for not being on time or leaving before conclusion.

Should a Councillor or official not attend a seminar/meeting/workshop or fail to cancel his/her attendance in time, any cancellation fee or cost incurred as a result of the non-attendance or late cancellation will be recouped from the salary of the delegate, provided that such delegate be afforded the opportunity to submit written reasons for not attending or not cancelling.

Should a delegated employee or Councillor misplace an air ticket or bus ticket that has been paid for by GM and the ticket cannot be replaced free of charge as a result of it not yet being used, the said delegate will be responsible for replacing the lost ticket, provided that such delegate be afforded the opportunity to submit written reasons as to why the loss should be paid again for by GM. In the absence of valid reasons, the expenditure will be regarded as fruitless and will be recovered from the delegate should GM have replaced the ticket.

14 VISITS ABROAD:

- 14.1 Applications for official trips abroad are handled in terms of the guidelines of the Department of Foreign Affairs for local government officials, as provided by SALGA.
- 14.2 Visits abroad must be pre-approved by the Municipal Manager for employees and by the ~~Executive Mayor~~ **Speaker** for Councillors.
- 14.3 The GM will be responsible for costs in line with this policy as if the costs were incurred in South Africa.

The recoverable cost of accommodation and subsistence for international travel may not exceed the daily amounts that are determined by SARS from time to time. This is payable to the employee or Councillor for costs incurred as a result of being away from home from the day that the delegate leaves South Africa until he returns to South Africa, both days included.

- 14.4 This subsistence allowance will be to cater for bed & breakfast, lunch and dinner, as well as other personal costs incurred by the employee or Councillor as a result of being away from home.
- 14.5 Should accommodation costs and meals be paid directly by GM, the daily subsistence allowance will be reduced by the cost already paid by GM.
- 14.6 Before the delegate leave South Africa, the travel agency normally utilized by Council may be requested to submit substantiating proof should the delegate believe that the subsistence allowance mentioned in 13.4 above will not be enough for subsistence costs in the country to be visited. The Municipal Manager must approve such higher allowance before the delegate leaves the country.

15. RENTING OF VEHICLES:

Should a delegate of the Municipality have to attend a seminar/congress/meeting and travels by air, train or bus to the destination, a vehicle may be rented from an acknowledged vehicle hire company for official journeys regarding the seminar/congress/meeting, subject to the following conditions:

- 15.1 Only travellers with a valid South African drivers licence may rent a vehicle;
- 15.2 Only “A” or “B” category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus).

- 15.3 Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the Municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- 15.4 If there are more than four attendees (delegates and spouses), two vehicles or a microbus, may be rented.
- 15.5 Delegates may use the rented vehicle for private journeys in the vicinity of the seminar. However, private journeys exceeding the free kilometres/day (maximum provided by the rental company) provided by the rental company will be for the account of the delegate using the vehicle and will be deducted from the salary of the delegate using the vehicle as such.

16. AUTHORISATION

For purposes of implementing this policy:

- 16.1 The Municipal Manager or the Director may authorise any travel to be undertaken by officials, provided that the expenses to be incurred are on the approved budget of the relevant Directorate.
- 16.2 Only the ~~Executive Mayor~~ Speaker may authorise any travel to be undertaken by the, deputy-Executive Mayor, speaker, Councillor, or the Municipal manager, provided that the expenses to be incurred are on the approved budget of the Municipality.
- 16.3 The Speaker shall approve the travel of the Executive Mayor when travel on Municipal business, provided the expenses to be incurred are on the approved budget of the Municipality, and provided further that the Executive Mayor reports to the following Council meeting on the nature of and reasons for such travel and the expenses incurred. In absence of the Speaker the Chief Whip will approve the travel of the Executive Mayor.
- 16.4 **The Executive Mayor may authorise any travel to be undertaken by the Speaker, provided that the expenses to be incurred are on the approved budget of the Municipality. In absence of the Executive Mayor, the Chief Whip will approve the travel of the Speaker**

An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Executive Mayor.

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Executive Mayor or the Municipal manager, as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

17. RESPONSIBILITY OF THE DIRECTORS:

The Directors recognize and accept the responsibility to see to it that recommendations to the Municipal Manager around travel and subsistence arrangements shall comply with the criteria as recommended in the policy.

18. DOCUMENTATION:

When applying for travel and subsistence allowances, the prescribed travelling form shall be completed in full.

Copies of the agenda of the specific meeting must be attached to the application.

19. UP-KEEP OF POLICY:

Adjustments to the policy shall take place under the following circumstances:

- Should the Municipality's approach to the policy change;
- Should new legislation and/or regulations require adjustments to the policy;

Adjustments to the inflation rate should be considered annually with the operational budget.

20. LEGAL REQUIREMENTS – COUNCIL POLICIES:

The Accounting Officer of the Municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing (*inter alia*) travel, subsistence and accommodation allowances paid.

21. SPONSORED TRIPS

21.1 LOCAL SPONSORED TRIPS

- 21.1.1 A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the George Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.
- 21.1.2 Traveling and Subsistence payable by the George Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

21.2 INTERNATIONAL SPONSORED TRIPS

- 21.2.1 A trip shall be regarded as sponsored when the full/ partial cost of the trip is borne by an institution other than the George Municipality. Such sponsored proportion of the total cost of the trip must be declared in the application for the trip.
- 21.2.2 Traveling and Subsistence payable by the George Municipality will be calculated as the difference between the amounts claimable per this policy less the monetary value of the sponsored amounts.

22 INSURANCE

- 22.1 Travellers (Councillors and Officials) where the necessary travel and special leave forms have been duly authorised by the delegated official will be insured by the Municipality in terms of its current approved policies, practices and standard operating procedures. The insurance shall cover, *inter alia*, the following:
 - 22.1.1 medical expenses and assistance services;
 - 22.1.2 personal accident, including death and disability, as well as repatriation and evacuation;
 - 22.1.3 personal liability; and
 - 22.1.4 cancellation, curtailment, and default on travel and accommodation.
- 22.2 Insurance cover is only for the period that the traveller is away from home or place of work on a trip relating to Municipal business.
- 22.3 Private vehicles and contents thereof will not be covered under this Policy.
- 22.4 Hired vehicles are automatically covered for both Super Waiver Damage and Theft by the vehicle rental company.

As approved by Council at the Council meeting which was held on 27 May 2015.

Signed at GEORGE on the 27th day of May 2015.



Municipal Manager: T Botha

Municipal Manager: T Botha

DRAFT POLICY